

DEPARTMENT OF DEFENSE INTELLIGENCE INFORMATION REPORT		
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15. SPECIAL INSTRUCTIONS:		
16. SUMMARY: (C) Several BA generals were apparently actively involved in FROTA's political plots, the senior of these is the soon-to-retire Chief of Staff, Gen FRITZ. None will be punished under the law- their careers will probably suffer. The President enjoys absolute power over the BA - at least for the present. Not clear is how the next President will be selected, and whether GEISEL is/isn't in basic sympathy with the FROTAists' ideology. Also, FROTAists are staying away from RO's home and not telephoning him, "just in case" of SNI "bugging" and/or secret surveillance measures.		
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22. DETAILS

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1. (U) On 23 Oct 77 coded source [] related the following.
2. (C) According to certain members of the new BA Minister's staff, the following generals are suspected of having aided, abetted, encouraged and participated in one way or the other in GEN SYLVIO FROTA'S political moves during the past few months:
 - a. GEN FRITZ de Azevedo Manso, Chief of Staff of the BA.
 - b. BG OCTAVIO COSTA, Chief of Cabinet to the BA COS.
 - c. MG ENIO dos Santos Pinheiro, Secretary of the Ministerial General Staff.
 - d. MG BENTO José Bandeira de Mello, Chief of Cabinet to the BA Minister (GEN FROTA).
 - e. BG Antonio CAMPOS, Chief of the BA Intelligence/Counterintelligence Center.
 - f. BG Adyr FIUZA de Castro, CG of the 6th Military Region in BAHIA.
 - g. BG Lauro Rocca DIEGUEZ, director of the Army Patrimony.
3. (C) As far as what is to be done by way of retribution, the BA sources say that there are presently no plans to punish, i.e., fines, reprimands, etc. these officers. It is felt by the new BA Minister (and presumably his judgement will be accepted by the President) that the loss of their leader (FROTA) is punishment enough. They were guilty of being loyal to the man, and this loyalty caused them to engage in political activities, contrary to the President's wishes..
4. (C) GEN FRITZ will be allowed to retire on schedule on 25 Nov 77. He has always (outwardly) hankered for an ambassadorship. He could still receive it. After all, the President is the source of all honors, he is all-powerful and FRITZ is presumably chastened enough by the events of 12 October and the aftermath, and appreciates the folly of his actions.
5. (C) Generals ENIO, BENTO and CAMPOS were the most active and aggressive in pursuing their now fallen leader's political goals. The general feeling among the BA's generals is that they should request retirement and follow their leader into civilian life. Assuming they do not request retirement, they will most likely receive insignificant posts - perhaps somewhere in the undeveloped interior - where the hardships they encounter will allow them to "redeem" themselves.
6. (C) But then, again, if certain sources are to be believed, it was ENIO who tipped the President off regarding FROTA's decision in late September or early October, to line up the BA High Command and then challenge the President. Even, if true, coded source does not believe that ENIO betrayed FROTA because he was playing a double game. He feels that ENIO was somehow forced or trapped into doing it, perhaps by the SNI (National Intelligence Service).

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7. (C) General OCTAVIO COSTA had been slated by FROTA to take over the superintendency of the Military Academy in January 78 (AMAN). This service equates to command time in the BA. He is now not certain of his future. It seems that this general's literary talents (he is regarded as a combination Pericles-Camões by his peers and superiors) were put to use on certain occasions to serve FROTA's purposes (and FROTA is decidedly unliterary). OCTAVIO COSTA also performed liaison functions with political figures in FROTA's behalf. What remains now is to see whether this "general with the soul of a poet" is forgiven and entrusted with a career-enhancing assignment post-FRITZ. Chances are that he will not soon be.
8. (C) General Adyr FIUZA de Castro, ex-head of the Rio (I Army) CODI (Center of Internal Defense Operations) and CG of the Rio Military Police under FROTA (1971-75), was one of two generals who are known to have telephoned FROTA on 12 October and offered their support. FIUZA is said to have contacted Navy elements in an attempt to show solidarity behind FROTA, a sort of "BAHIA is for FROTA" maneuver. This didn't work. It is being said that BG Alzir CHALOUN, Headquarters Commandant of Brasília shortly will replace FIUZA as the 6th Military Region's CG, and that FIUZA will receive an unimportant job to keep him from demonstrating any more FROTAist bravado.
9. (C) BG DIEGUEZ, (who effectively commands a desk and a number of clerks) evidently assured FROTA in the afternoon of the 12th that elements of the 32nd Field Artillery Group in Brasília would stand by him; if he (FROTA) desired it. FROTA didn't (what could a handful of artillerymen do against the remainder of the 3rd Mtz Infantry Brigade, with its armored cavalry and infantry elements?) and that ended DIEGUEZ' attempts at "heroics."
10. (C) An interesting development occurring sometime prior to 12 October was FROTA's decision to place DIEGUEZ in command of the Brasília-based Brigade. The President, who has the final say regarding general officer assignments, said no to the proposal. And, according to coded source's informants, this is why now, more than ever, GEISEL is not letting the BA know what job will be given to which general until the very last minute. GEISEL had valid reasons to suspect FROTA's recommendations, so now he just wants to be the "boss."
11. (C) The sources maintain that this is why GEISEL ordered GEN TÁCITO Theóphilo Gaspar de Oliveira to accept the Armed Forces Staff position, even though TÁCITO had - informally - been assured of a ministerial position, that of the Interior. This is GEISEL'S way of showing his new strength as Commander-in-Chief. He will do as he pleases re general officer's assignments. It is one more manifestation of his (GEISEL'S) wish to "put the generals in their places" as his subordinates, not his equals, in the "system."

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12. (C) With regard to some of the other BA generals and where they stood vis-a-vis FROTA, coded source's friends told him that many of the younger generals are personally fond of FROTA. This is particularly true of the engineers and communicators, a rather large number of whom saw FROTA off at the Brasília Air Base on the 13th of October. Their (the technical service generals') friendships for the deposed BA Minister dates from the time when FROTA commanded the technical service-heavy 1st Military Region in Rio de Janeiro.
13. (C) As for generals Mario O'REILLY and Hélio IBIAPINA Lima, both of whom saw FROTA off on the 13th, the former was there because FROTA had helped him get his BG's stars, and had entrusted him with the command of the Petrópolis-based 1st Mtz Inf Brigade for what is unusual in the BA, a period of well over two years.
14. (C) As for IBIAPINA, this general is one of the last of the outspokenly cynical (of the present administration) hardliners. IBIAPINA has made no mystery about where his political sympathies lie (not with GEISEL), and was reportedly even placed under discreet SNI surveillance some time back following one of his periodic verbal attacks (said to have taken place during a BA general officer's informal weekend gathering in Brasília, such as those that occur rather frequently at LTC Geraldo de Arruda PENTEADO's lakeside country estate) came to GEISEL's attention. One could always count on IBIAPINA to say unpleasant things about the President, "a man who forgets his (BA) origins too easily."
15. (C) Of the four-star crop, the BA sources reveal that only GEN VENICIUS Notaré, head of the Engineering Department, was truly happy to see FROTA go. This general is suffering from arteriosclerosis, is scheduled for mandatory retirement in March 78, and can't stand FROTA primarily on grounds of personality. "They irritated each other," said the coded source.
16. (C) The other four star generals were said to be much relieved that FROTA was now gone. He would have placed them in the difficult/delicate position of choosing sides - between GEISEL-FIGUEIREDO'S "continue-ism," and his "change towards revolutionary purification." GEN Ayrton TOURINHO of the Superior War School was said to be keeping a low profile so as not to prejudice his brother-in-law's presidential nomination chances (GEN REYNALDO Mello de Almeida). GEN ARIEL PACCA wants no part of political life. He's asked GEISEL to allow him to end his BA days in his present job as head of the Training and Research Department. ARIEL is still not recovered from the loss (to cancer) of his wife, who died late 1975-early 1976.
17. (C) General's JOSÉ PINTO of I Army and DILERMANDO Monteiro of II Army were GEISEL's "pets." Both were loyal to him over the FROTA caper, and yet, GEISEL knew that DILERMANDO hoped for his (GEISEL's) blessings as presidential

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18. (C) GEN CALDERARI, the BA's senior ordnance expert, still hoped to become chief of the IMBEL (Agency for Development and Production of War Materiel Industries), and had, once more, proven his political survivability by being readily forgiven by GEISEL (on 10 October 77), and serving as GEISEL's last personal emissary to FROTA on 11 October 77.

19. (C) GEN ARGUS LIMA, the IV Army CG, was known to favor FRQTA and be the hardest-lining of the full generals. He'd stood by the President during the events of October 12, because he allegedly feared the consequences to the "system" of a military coup.

20. (C) GEN Fernando BETHLEM, now the BA Minister, had been the closest in terms of personal friendship, to FROTA. By choosing this fervently, not to say Quixotic, anti-Communist as FROTA's successor, GEISEL out-maneuvered the FROTA camp, for how could they object to having their fallen master's favorite general as their new overlord?

21. (C) BETHLEM's recent public announcement that the BA stop speculating on the presidential succession, that it isn't the BA's business, has confused the BA's officers. It is not now clear to them just how the new president will be selected come early next year. A number of officers believe that GEISEL alone will select and receive a "rubber stamp" approval from the BA High Command. Still others argue that the hardliners - to include BETHLEM - will want a real veto power in the process, and predict behind-the-scenes bargaining with the President rather than the "abdication theory" postulated by the former group (many of these, if not most, are said to be FROTA-ists).

22. (C) Finally, coded source pointed out the seemingly pro-American flavor of the new BA Minister and the new Chief of the Armed Forces Staff. He cautioned that the President most likely wanted to change the image of the BA and Armed Forces Chiefs, but, given their subservience to GEISEL, only the form would change, not the substance. After all, only GEISEL knows whether he is a hardliner, a reformer, or what, and this is frustrating to the BA.

23. (C) As for the possibility that a Ministry of Defense might materialize post-GEISEL, source pointed out that the BA had presented a proposal to the Armed Forces Staff for coordination with the other services. The proposal called for a Minister of Defense, and vice-Ministers for ground forces, the Air Force, the Navy, and logistics (to include hardware R & D). It has gotten nowhere because guarantees re rotating the top post among the services notwithstanding, the new Ministry would in effect be an enlarged Army Ministry, and this the other service chiefs would not tolerate. As source put it, "so long as the Army runs this country, the other service's

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chances for autonomy are best preserved in the present scheme of organization.

24. (C) [REDACTED]

COMMENT: (C) The weeks ahead - especially after GEN FRITZ retires - will reveal the exact manner in which the FROTAist generals will be "rewarded" for their misplaced loyalty to FROTA. [REDACTED] MG BENTO in the AM of 23 Oct 77, at Air Force Day award ceremonies, and he seemed tired and sad. OCTAVIO COSTA was also there and seemingly went out of his way to avoid being engaged in conversation [REDACTED] FRITZ, who'll soon depart for NICARAGUA, wasn't present (he has also been known to use his heart attack of 1973 as an excuse for occasionally missing public spectacles of this sort.) GEISEL was there. So were the three service ministers. FROTA'S attempt to place DIEGUEZ (an old MEDICI favorite) in charge of the Brasilia Brigade must have worried- if not frightened- the GEISEL retinue, hence GEISEL is now employing an imperial style re distributing assignments to the BA's generals. [REDACTED] this will continue to be the case until GEISEL feels comfortable with BETHLEM, and truly believes that he can trust this general to obey presidential orders without exceptions - to be his "pro GEISEL dimico." The basic issue confronting the Regime, - GEISEL'S "continue-ism" and FROTA's "turn back the revolutionary clock" has yet to be resolved. One possible indicator regarding GEISEL's political proclivities could well be the November 77 four-star selections. For example, if GEISEL approves Cesar MONTAGNA Souza for promotion, then he is either reaffirming his own hardline beliefs to the BA High Command, or is acknowledging his debt to them in ridding the Regime's cupula of a potential menace (FROTA). On the other hand, if GEISEL deep-selects the SNI Chief, MG João FIGUEIREDO, then he is demonstrating that he rules by virtue of his (Revolutionary) constitutional powers, and the BA High Command's function - besides the internal security role - is to obey and give advice only when asked. If however, GEISEL doesn't promote MONTAGNA nor FIGUEIREDO, then it could mean that he wants to pursue a halfway line between both extremes of the Revolutionary movement - i.e., the "purist" hardliners (FROTAists) and the "reforming continue-ists" (GEISELlists). As for how the next president will be selected, [REDACTED] based on current evidence, that GEISEL will try to impose his selection on the presently cowed-into-submission High Command. Whether he gets away with this will depend on at least two things: the personalities - the new full generals constituting the High Command (i.e., their willingness to dispute the matter with the President); and the identity of GEISEL's choice (if FIGUEIREDO, then the

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BA's middle-graders will protest to their generals) of REYNALDO, the hardliners would object). In any case, the weeks and months ahead should prove exciting for all BRAZIL-watchers, and should keep those of us charged with observing and reporting on politico-military events, busy, busy, busy!

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